

**BEFORE THE  
SOUTH CAROLINA PUBLIC SERVICE COMMISSION**

DOCKET NO. 2009-144-C

**In the Matter of** )  
 )  
**Application of TracFone** )  
**Wireless, Inc. For Designation** )  
**as an Eligible Telecommunications** )  
**Carrier in the State of South Carolina** )  
**for the Limited Purpose of Offering** )  
**Lifeline Service to Qualified Households** )

**TESTIMONY OF  
F.J. POLLAK**

**Q: WHAT IS YOUR NAME AND OCCUPATION?**

A: My name is F.J. Pollak. I am TracFone Wireless, Inc.'s President and Chief Executive Officer. I am also President of SafeLink Wireless, Inc.

**Q: WHAT IS SAFELINK WIRELESS?**

A: SafeLink Wireless, Inc. has been established as a wholly-owned subsidiary of TracFone. SafeLink Wireless is incorporated under the laws of the State of Delaware. On January 8, 2010 , it submitted to the State of South Carolina Secretary of State its Application By a Foreign Corporation For a Certificate of Authority to Transact Business in the State of South Carolina. Attached to my supplemental testimony is that application as well as the Certificate of Authorization issued by the Secretary of State.

**Q: WHAT IS THE PURPOSE FOR TRACFONE'S ESTABLISHMENT OF SAFELINK WIRELESS?**

A: SafeLink Wireless's only activity in the State of South Carolina will be to offer Lifeline service supported by the federal Universal Service Fund to low-income

1 South Carolina households. It will offer its SafeLink Wireless® Lifeline service  
2 upon being designated as an Eligible Telecommunications Carrier (“ETC”) in this  
3 docket.

4 **Q: WHAT WILL BE SAFELINK WIRELESS’S OBLIGATIONS TO**  
5 **CONTRIBUTE TO THE SOUTH CAROLINA UNIVERSAL SERVICE**  
6 **FUND?**

7 A: In South Carolina, commercial mobile radio service (“CMRS”) providers are not  
8 required to contribute to the South Carolina Universal Service Fund (“State  
9 USF”). However, those CMRS providers who are designated as ETCs are  
10 required to contribute to the State USF. Like other wireless ETCs in South  
11 Carolina, SafeLink Wireless will be required to contribute to the State USF on  
12 revenues which it earns from South Carolina customers. TracFone Wireless, as a  
13 CMRS provider, but not an ETC, will not be required to contribute to the State  
14 USF.

15 **Q: WHAT DO TRACFONE AND SAFELINK WIRELESS RECOMMEND**  
16 **THAT THE COMMISSION DO UPON RECEIPT OF THIS TESTIMONY?**

17 A: TracFone and SafeLink Wireless respectfully request that the Commission assign  
18 TracFone’s pending application for designation as an ETC to SafeLink Wireless  
19 and that it promptly designate SafeLink Wireless as an ETC for the limited  
20 purpose of providing Lifeline service to low-income South Carolina households.

21 **Q: DESCRIBE SAFELINK WIRELESS’S LIFELINE PROPOSAL?**

22 A: Upon designation as an ETC, SafeLink Wireless will offer the same Lifeline  
23 program under the brand name SafeLink Wireless® that TracFone has proposed

1 to offer in this proceeding. That program was described in TracFone's ETC  
2 application and in my previously-filed testimony in this proceeding.

3 **Q: ARE THERE ANY DIFFERENCES BETWEEN TRACFONE'S INITIAL**  
4 **LIFELINE PLAN AND THE PLAN TO BE OFFERED BY SAFELINK**  
5 **WIRELESS?**

6 A: Yes. There is one difference. As initially proposed, TracFone's SafeLink  
7 Wireless® Lifeline customers would receive 65 minutes of free wireless airtime  
8 per month, plus they would receive free wireless handsets. In addition, they  
9 would be able to purchase additional airtime at the rate of \$0.20 per minute.  
10 However, SafeLink Wireless will provide its South Carolina Lifeline customers  
11 with additional wireless airtime at the rate of \$0.10 per minute.

12 **Q: WHY IS SAFELINK WIRELESS COMMITTING TO OFFER**  
13 **ADDITIONAL AIRTIME AT A RATE OF \$.10 PER MINUTE RATHER**  
14 **THAN THE \$0.20 RATE PROPOSED BY TRACFONE?**

15 A: The arrangement described in my testimony, *i.e.*, to have SafeLink Wireless,  
16 rather than TracFone, be designated as an ETC, is the result of negotiations which  
17 occurred between TracFone and the Office of Regulatory Staff ("ORS"). Those  
18 negotiations occurred following the Commission's October 15, 2009 Directive in  
19 this docket. The purpose for those negotiations was to find a means for a  
20 TracFone-affiliated entity to provide SafeLink Wireless service in South Carolina  
21 in a manner consistent with applicable Commission requirements and policies  
22 governing the State USF. During those negotiations, ORS requested that  
23 TracFone consider allowing SafeLink Wireless to provide additional minutes of



1       airtime at the lower \$0.10 per minute rate. TracFone's management considered  
2       that proposal and determined that it would be willing to reduce the per minute rate  
3       for additional airtime so as to make service more affordable to low-income South  
4       Carolina households.

5   **Q:   WILL THE FEDERAL COMMUNICATIONS COMMISSION'S ORDER**  
6       **GRANTING TRACFONE FORBEARANCE FROM THE**  
7       **REQUIREMENTS OF 47 U.S.C. § 214(E)(1)(A) BE APPLICABLE TO**  
8       **SAFELINK WIRELESS?**

9   A:   Yes. In September 2005, the FCC conditionally granted TracFone's petition for  
10       forbearance from the requirement of 47 U.S.C. § 214(e)(1)(A) that ETCs provide  
11       service using their own facilities or a combination of their own facilities and  
12       resale. That FCC Forbearance Order makes it possible for the Commission and  
13       other state commissions to designate TracFone as an ETC for the limited purpose  
14       of offering Lifeline service despite the fact that TracFone does not own its  
15       facilities. Following our discussions with ORS and prior to preparation of this  
16       testimony, TracFone consulted with the FCC which confirmed that its 2005  
17       Forbearance Order would be applicable to TracFone-affiliated companies, like  
18       SafeLink Wireless, provided that those affiliated companies comply with all the  
19       conditions of forbearance imposed on TracFone. As President and CEO of  
20       SafeLink Wireless, I can assure the Commission that SafeLink Wireless will  
21       comply with all FCC forbearance conditions.

1    **Q:    ARE THERE ANY OTHER CONDITIONS WHICH TRACFONE AND**  
2           **ORS HAVE DISCUSSED?**

3    A:    Yes. ORS has indicated that it would support the application of SafeLink  
4           Wireless for designation as a Lifeline-only ETC in South Carolina subject to the  
5           following two additional conditions:

6           a) SafeLink will provide a quarterly report to ORS and the Commission which  
7           identifies the aggregate number of Lifeline customers by county receiving  
8           SafeLink service during the quarter, the method of eligibility verification  
9           provided by the customer at service activation (TANF, Medicaid, Foodstamps),  
10          the aggregate number of Lifeline customers by county annually verified during  
11          the reporting period and the outcome of the verification process (pass/fail); and  
12          b) One year following the Commission's order designating the new company as  
13          an ETC, representatives of the company and ORS will meet to review the Lifeline  
14          program.

15   **Q:    ARE THOSE TWO CONDITIONS ACCEPTABLE TO SAFELINK**  
16           **WIRELESS?**

17   A:    Yes.

18   **Q:    DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

19   A:    Yes.

JAN 11 2010

STATE OF SOUTH CAROLINA  
SECRETARY OF STATE

APPLICATION BY A FOREIGN CORPORATION  
FOR A CERTIFICATE OF AUTHORITY  
TO TRANSACT BUSINESS  
IN THE STATE OF SOUTH CAROLINA

Mark Hammond  
SECRETARY OF STATE OF SOUTH CAROLINA

TYPE OR PRINT CLEARLY WITH BLACK INK

Pursuant to Section 33-15-103 of the 1976 South Carolina Code of Laws, as amended, the undersigned corporation hereby applies for authority to transact business in the State of South Carolina, and for that purpose, hereby submits the following statement:

1. The name of the corporation is (see Sections 33-4-101 and 33-15-106 and Section 33-19-500(b)(1) if the corporation is a professional corporation) SafeLink Wireless, Inc.
2. It is incorporated as (check applicable item) [☒] a general business corporation, [☐] a professional corporation, under the laws of the state of \_\_\_\_\_
3. The date of its incorporation is 12/22/2009 and the period of its duration is Perpetual
4. The address of the principal office of the corporation is 9700 N.W. 112th Avenue in the Street Address  
city of Miami and the state of Florida, 33178  
Zip Code
5. The address of the proposed registered office the state of South Carolina is  
6650 Rivers Avenue in the city of North Charleston in  
Street Address  
South Carolina 29406  
Zip Code
6. The name of the proposed registered agent in this state at such address is  
Corporate Creations Network Inc.  
Print Name

I hereby consent to the appointment as registered agent of the corporation.

Veronica Paex  
Signature of the Registered Agent  
Veronica Paex, Special Secretary

100115-0061 FILED: 01/11/2010  
SAFELINK WIRELESS, INC.

Filing Fee: \$135.00 ORIG



Mark Hammond

South Carolina Secretary of State



SafeLink Wireless, Inc.

Name of Corporation

7. The name and usual business address of the corporation's directors (if the corporation has no directors, then the name and address of the persons who are exercising the statutory authority of the directors on behalf of the corporation) and principal officers:

a)	Name of Directors	Business Address
	Gustavo Blanco	c/o TracFone Wireless, Inc.
		9700 N.W. 112th Avenue
		Miami, Florida 33178

b)	Name and Office of Principal Officers	Business Address

8. The aggregate number of shares which the corporation has authority to issue, itemized by classes and series, if any, within a class:

Class of Shares (and Series, if any)	Authorized Number of Each Class (and Series)
1,000 Shares of Common Stock	1,000 Shares of Common Stock

9. Unless a delayed date is specified, this application shall be effective when accepted for filing by the Secretary of State (See Section 33-1-230):

Date 12/23/09

SafeLink Wireless, Inc.  
Name of Corporation

Signature

Gustavo Blanco, Director

Type or Print Name and Office

1350



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
INITIAL ANNUAL  
REPORT OF CORPORATIONS

CL-1  
(Rev. 8/25/08)  
3134

Office Use Only		File Number _____		ENDING PERIOD		SID Number _____	
				Month _____ Year _____			
Date "Application for Charter" filed with Secretary of State _____				For Secretary of State Use Only			
Date of "Request for authority to do business in this state" (Foreign Corp.) <u>JAN 11 2009</u>							
FED EI Number _____				Business Code _____			
				(Office Use Only)			
NAME OF CORPORATION <u>SafeLink Wireless, Inc.</u>				Telephone # <u>305-418-2419</u>			
PHYSICAL ADDRESS OF HEADQUARTERS (NUMBER AND STREET) <u>9700 N.W. 112th Avenue</u>				MAILING ADDRESS FOR TAX CORRESPONDENCE <u>9700 N.W. 112th Avenue</u>			
CITY AND STATE <u>Miami, Florida</u>		ZIP <u>33178</u>		COUNTY <u>Miami-Dade</u>		CITY AND STATE <u>Miami, Florida</u>	
						ZIP <u>33178</u>	
1. State of incorporation: <u>Delaware</u>				2. Indicate month corporation closes its books: <u>December</u>			
3. Nature of principal business in SC: <u>reseller of prepaid wireless</u>							
4. Location of registered office of the corporation in the state of SC is in the city of <u>North Charleston</u>							
Registered agent at such address is <u>Corporate Creations Network Inc.</u>							
5. Location of principal office in SC (street, city, zip and county): <u>N/A</u>							
6. Date business commenced in SC: _____				Effective Date of Incorporation: <u>12-22-09</u>			
7. If a professional corporation, are all shareholders, one-half of the directors (or individuals functioning as directors) and all officers (other than the secretary and treasurer) qualified to practice the professional services engaged in by the corporation?							
8. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the corporation are:							
SSN		Name/Title		Business Address and Office			
		<u>Gustavo Blanco, Director</u>		<u>9700 N.W. 112th Avenue Miami, Florida 33178</u>			
		<u>Frederick J. Pollak, Pres</u>		<u>9700 NW 112th Avenue MIA, FL 33178</u>			
		<u>Richard B. Salzman, Sec</u>		<u>9700 NW 112th Avenue MIA, FL 33178</u>			
9. The total number of authorized shares of capital stock itemized by class and series, if any, within each class as follows:							
Number of Shares		<u>1,000</u>		Class		<u>Common</u>	
						Series <u>n/a</u>	
10. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:							
Number of Shares		<u>1,000</u>		Class		<u>Common</u>	
						Series <u>n/a</u>	
1. Fee due with this report .....				1. <u>25</u> <u>00</u>			
2. Interest due .....				2. _____			
3. Penalty due .....				3. _____			
4. Total - Due .....				4. _____			
Make remittance payable to SC Department of Revenue							
Mail To: SC Department of Revenue, License and Registration Unit, Columbia, SC 29214-0140							

ATTACH REMITTANCE HERE

## AFFIDAVIT

I, the undersigned incorporator or principal officer of the corporation for which this return is made, declare that this return, including accompanying statements and schedules, has been examined by me and is to the best of my knowledge and belief a true and complete return made in good faith.

THIS RETURN PREPARED BY

SIGNATURE OF INCORPORATOR OR OFFICER AUTHORIZED TO SIGN

DATE

TITLE

31341027



# Delaware

PAGE 1

## The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SAFELINK WIRELESS, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SECOND DAY OF DECEMBER, A.D. 2009.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "SAFELINK WIRELESS, INC." WAS INCORPORATED ON THE TWENTY-SECOND DAY OF DECEMBER, A.D. 2009.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE NOT BEEN ASSESSED TO DATE.

4768947 8300

091129014

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)



  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 7717958

DATE: 12-22-09



# *The State of South Carolina*



*Office of Secretary of State Mark Hammond*

## **Certificate of Authorization**

**I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:**

SAFELINK WIRELESS, INC.,  
a corporation duly organized under the laws of the state of **DELAWARE** and issued a certificate of authority to transact business in South Carolina on **January 11th, 2010**, has on the date hereof filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the Corporation that its authority to transact business in South Carolina is subject to being revoked pursuant to Section 33-15-310 of the 1976 South Carolina Code, and no application for surrender of authority to do business in South Carolina has been filed in this office as of the date hereof.

Given under my Hand and the Great  
Seal of the State of South Carolina this  
15th day of January, 2010.

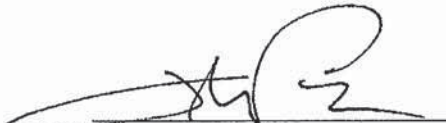
  
Mark Hammond, Secretary of State

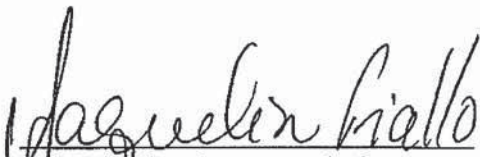
Note: This certificate does not contain any representation concerning fees or taxes owed by the Corporation to the South Carolina Tax Commission or whether the Corporation has filed the annual reports with the Tax Commission. If it is important to know whether the Corporation has paid all taxes due to the State of South Carolina, and has filed the annual reports, a certificate of compliance must be obtained from the Tax Commission.

# AFFIDAVIT OF F.J. POLLAK

I am F. J. Pollak. I am President and Chief Executive Officer of TracFone Wireless, Inc. I am also President of SafeLink Wireless, Inc.

The testimony to which this affidavit is affixed was prepared by me or under my immediate supervision. I declare that all information contained in that testimony is true and correct, based upon information and belief.

  
F. J. Pollak

  
Subscribed and sworn to before me, a  
Licensed Notary Public, this      day  
of January 2010.



YAQUELIN FIALLO  
MY COMMISSION # DD 890673  
EXPIRES: May 19, 2013  
Bonded Thru Budget Notary Services

My commission expires: 05/19/2013



<b>IN RE:</b>	)	<b>Docket No. 2009-144-C</b>
	)	
<b>Application of TracFone Wireless,</b>	)	
<b>Incorporated for Designation as an</b>	)	
<b>Eligible Telecommunications Carrier in</b>	)	<b>CERTIFICATE OF SERVICE</b>
<b>The State of South Carolina for the</b>	)	
<b>Limited Purpose of Offering Lifeline</b>	)	
<b>And Link Up Service to Qualified</b>	)	
<b>Households</b>	)	
	)	

Mr. Dukes Scott  
Ms. Nannette Edwards  
Ms. Lessie Hammonds  
Office of Regulatory Staff  
Post Office Box 11263  
Columbia, SC 29211

Columbia, South Carolina  
January 27, 2010